

Attorney Docket No.: 847-072

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re the application of: Moshe Levnat.

Serial No.: 10/719,622

Group Art Unit: Not yet assigned

Filed: November 21, 2003

Examiner: Not yet assigned

TITLE: STAINLESS STEEL UNSEALED MOTOR

I hereby certify that this correspondence is being communicated by First Class Mail. Postage prepaid, to the United States Patent and Trademark Office at Mail Stop Missing Parts, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on

May 25, 2004
Joseph B. Milstein
Joseph B. Milstein

Mail Stop Missing Parts
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

**DECLARATION OF E. WAYNE FOLEY
FOR
PETITION UNDER 35 USC §118**

The undersigned, E. Wayne Foley, of 7550 Hub Parkway, Cleveland, Ohio 44125-5794 is the President of Cleveland Motion Controls (hereinafter "CMC"), having a place of business at 7550 Hub Parkway, Cleveland, Ohio, 44125-5794 USA. CMC owns a division named CMC Torque Systems, having a place of business at 6 Enterprise Road, Billerica, Massachusetts 01821-5734 USA.

Mr. Foley respectfully submits that the facts and the law show that Mr. Moshe Levnat has a duty to assign the above-identified patent application to CMC, and, given Mr. Levnat's refusal to sign, that he as President should be permitted to sign all papers necessary for the lawful prosecution of the invention or inventions described and claimed in the above-identified application. Mr. Foley asserts that the facts in this matter are as follows:

On January 4, 2003, by letter signed by Robert J. Kuniega, Vice President/General Manager, CMC offered Mr. Moshe Levnat employment as a Senior ElectroMechanical Engineer. Along with the offer letter, CMC sent Mr. Levnat a position description entitled, "CMC – Torque Systems Division Sr. Electrical Engineer – Electro-Mechanical/Servo products." A copy of each of the offer letter and the position description are attached hereto.

The position description calls out a series of items under the heading "Essential Duties and Responsibilities." Among these are:

- "Perform electro-magnetic design and development of all Servo motors."
- "Works in conjunction with Sr. mechanical Engineer to develop all Electro-mechanical products."
- "Support the customer relationship efforts with comprehensive technical product presentations."
- "Maintain direct contact with key customers on an ongoing basis and is involved in major customer proposals."
- "With the Sr. ME, review and approves design changes, specifications, and drawing releases of electro-magnetic components."

The position description calls out a series of items under the heading "Performance Metrics." Among these are:

- "Product development project on time completion to objectives."
- "Successful customer acceptance of application product design recommendations."

During the course of his employment in the Billerica, Massachusetts facility, Mr. Levnat prepared a description of a stainless steel unsealed brushless motor, which description is entitled, "Grote stainless steel unsealed brushless motor proposal concept – 3/18/03." A copy of this document is appended hereto, which copy has been annotated by hand on November 20, 2003 by Mr. Susanta Datta, a manager at CMC Torque Systems. The purpose of the proposal was to offer the customer Grote a motor suitable for use in the food industry, especially including the ability to operate in a wet environment, and to allow washing the equipment in which the motor is provided. Grote refers to the Grote Company, having a place of business at 1160 Gahanna Parkway, Columbus, Ohio 43230-6615 USA. The Grote Company is a manufacturer of food slicing equipment.

Mr. Levnat left the employ of CMC Torque Systems during 2003. A letter dated August 4, 2003 from Attorney Anthony P. Mondello of Zero Governors Avenue, Medford, Massachusetts 02155, to Robert Kuniega, indicates that Mr. Mondello represents Mr. Levnat, and refers to "his request for a separation agreement to terminate his employment." The letter refers to the "... employment agreement with Mr. Levnat dated February 4, 2003 (copy attached)" The attachments to Mr. Mondello's letter are copies of the same letter and position description referred to hereinabove and attached hereto. A copy of Mr. Mondello's letter is attached hereto.

As a result of the development of the new stainless steel unsealed brushless motor, the above-identified patent application was prepared and filed on November 21, 2003.

Cynthia Locklear is the Corporate Counsel of International Motion Control Inc. (hereinafter "IMC"), having a place of business at 369 Franklin Street, Buffalo, New York 14202 USA. IMC is the parent and 100% owner of CMC. By letter dated December 10, 2003, from IMC over the signature of Ms. Locklear to Mr. Mondello, a copy of the application as filed, along with a Declaration and Power of Attorney and an Assignment were sent to Mr. Mondello for presentation to Mr. Levnat for his signature. A copy of the letter of December 10, 2003 is attached hereto, along with unexecuted copies of the Declaration and Power of Attorney and the Assignment.

By letter dated February 7, 2004, Mr. Mondello replied to Ms. Locklear that "Mr. Levnat refuses to sign the patent application because he takes exception to the paragraph that states he has been amply paid." A copy of the letter of February 7, 2004 is attached hereto. In the letter, Mr. Levnat does not contest his obligation to assign his invention to CMC and/or IMC.

The following legal analysis has been prepared by Joseph B. Milstein, USPTO Registration No. 42,897, who is the patent attorney representing CMC in this matter:

35 U.S.C. §118 and 37 C.F.R. §1.47(b) are the applicable law when a sole inventor refuses to sign a patent application. 35 U.S.C. §118 is reproduced hereinbelow:

35 U.S.C. 118 Filing by other than inventor.

Whenever an inventor refuses to execute an application for patent, or cannot be found or reached after diligent effort, a person to whom the inventor has assigned or agreed in writing to assign the invention or who otherwise shows sufficient proprietary interest in the matter justifying such action, may make application for patent on behalf of and as agent for the inventor on proof of the pertinent facts and a showing that such action is necessary to preserve the rights of the parties or to prevent irreparable damage; and the Director may grant a patent to such inventor upon such notice to him as the Director deems sufficient, and on compliance with such regulations as he prescribes.

Based on the facts recited, a diligent effort has been made to obtain Mr. Levnat's signature. Mr. Levnat has refused to sign.

National Development Company v. Gray, 316 Mass. 240, 55 N.E.2d 783, 62 USPQ 205, 153 A.L.R. 973 (1944), is the leading Massachusetts Supreme Judicial Court decision finding an employment relationship deemed to be one where the employee was obliged to assign in the absence of a written agreement. In *National Development Company v. Gray*, the employee developed a new machine as part of his employment duties. The Massachusetts Supreme Judicial Court found that the employee was obliged to assign his invention to his employer because he was hired to develop and perfect the employer's machine, even though he had not signed an agreement and even though he

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Declaration of E. Wayne Foley

made the drawings at home on his own time during the term of his employment as an employee at will. A copy of *National Development Company v. Gray* is attached hereto.


After *Erie v. Thompkins*, 304 U.S. 64, 58 S.Ct. 817 (1938), federal courts are required to apply state common law if there is no applicable Federal law or US Constitutional provision that defines the law. Contract law, including agreements as to conveyance of rights in inventions, whether explicit or not, are therefore controlled by state law. Since Mr. Levnat worked in Massachusetts at the time of making his invention, it appears that Massachusetts common law as regards contracts should control, and the SJC opinion in *National Development* will be accepted as the law in either state or federal court.

Other federal court cases, such as *Standard Parts Co. v. Peck*, 264 U.S. 52, 44 S.Ct. 239 (1924) (pre-Erie), or *Teets v. Chromalloy Gas Turbine Corp.*, 38 USPQ2d 1695 (Fed. Cir. 1991) hold as does *National Development*. Neither of these cases took place in Massachusetts, but they are among the more frequently cited cases.

Mr. Levnat is identified as the sole inventor of the above-identified application. From the facts, it appears that he was hired specifically to "Perform electro-magnetic design and development of all Servo motors." When his design and development efforts, for which he was paid a salary, resulted in a potentially patentable improvement, he was obliged, under the applicable Massachusetts law, to assign his invention to his employer. Additionally, as indicated above, Mr. Levnat does not contest this obligation to assign, but refuses to sign because he feels that his compensation has not been adequate.

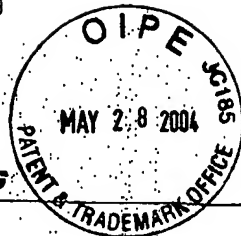
Mr. Foley, as President, respectfully submits that failure to permit the above-identified patent application to be prosecuted because of the refusal of Mr. Levnat to sign both a Declaration and Power of Attorney and an Assignment will irreparably damage the intellectual property rights of CMC to the extent that one or more patents may ultimately be granted upon the above-identified application and/or one or more of continuation applications, divisional applications, continuation-in-part applications and/or international or foreign applications claiming priority to the above-identified application.

The undersigned, having been apprised that willful false statements and the like are punishable by fine or imprisonment, or both (18 U.S.C. 1001), makes this statement knowingly and of his own free will.



E. Wayne Foley

Date: 5/7/04

An **EMC** Company

GROUP HEADQUARTERS

7550 Hub Parkway • Cleveland, OH 44125-5794
PHONE (216) 524-8800 • FAX (216) 842-5155

February 4, 2003

Mr. Moshe Levnat
5500 Fortunes Ridge Dr #94B
Durham NC 27713

Dear Moshe:

We are pleased to extend you an offer, upon satisfactory completion of our pre-employment physical exam, to join Cleveland Motion Controls, Inc. at earliest agreed upon arrival or two weeks sooner in the position of Sr. ElectroMagnetic Engineer. A condition of employment consist of signing our confidentiality and standard employee policy agreements

Our offer consists of a base salary at an annualized rate of \$85,000 plus benefits with an incentive bonus of 20% based on the mutually agreed upon objectives to be provided at time of arrival -- 10% paid quarterly upon accomplishments of work objectives and 10% paid annually upon accomplishment of \$100K of shippable sales of new Engineered Products business. A performance review will take place after six months of service with our organization. You will be entitled to two weeks vacation in 2003, which will be accrued each biweekly pay cycle, and will receive three weeks vacation effective January 1, 2004 through December 31, 2003, and 4 weeks vacation thereafter.

CMC offers a comprehensive and competitive benefits plan including group health insurance, dental and vision, life insurance equal to twice annual salary (doubled for accidental death), Medical and Dependent care reimbursement, paid holidays and vacation, and 401(k) plan, which currently provides a company match of 25% of up to 6% of your covered compensation.

Relocation allowances include four weeks stay at Extended Stay America, stay may be extended upon personal approval of the Vice President and General Manager. CMC will reimburse for travel expense, mileage, meals, and one night stay for the transit from NC to MA.

We are excited about the prospect of having you join the organization and believe this position will provide you a substantial challenge and the opportunity to make a major contribution to the success of our business.

Please feel free to contact me with any questions you may have.

Sincerely,

Robert J. Kuniega
Vice President/General Manager

CMC - Torque Systems Division**SR. ELECTRICAL ENGINEER – ELECTRO-MECHANICAL / SERVO PRODUCTS****Reports to: Engineering Manager**

High energy, results oriented, self-starter to perform the electro-magnetics design of brushless/slotless motor for the Electro-Mechanical / Servo Products Business.

Essential Duties and Responsibilities:

- Perform electro-magnetic design and development of all Servo motors.
- Works in conjunction with Sr. Mechanical Engineer to develop all Electro-mechanical products.
- Provide the leadership to support the marketing effort in obtaining the high value added Engineered solutions servo business.
- Support the customer relationship efforts with comprehensive technical product presentations.
- Maintains direct contact with key customers on an ongoing basis and is involved in major customer proposals.
- Analyze data such as marketing proposal, customer design specifications, application and environmental conditions to determine the acceptability of the design.
- With the Sr. ME, lead the Design Reviews (Marketing/Technical/Financial/Supplier) of all new product platform projects.
- With the Sr. Mechanical Engineer, provide the leadership to determine the root cause analysis of all customer / product / supplier / manufacturing Corrective Action Request.
- With the Sr. ME, review and approves design changes, specifications, and drawing releases of electro-magnetic components.
- Works with operational departments to achieve goals and overall product development objectives.
- Coordinates activities concerned with technical developments, scheduling, and resolving engineering design and test problems.
- Assist manufacturing problems and quality determinations.
- Assist manufacturing in the selection of equipment and test procedures to assure product quality conformance.
- Train and mentor Jr. Engineers in the department.
- Other duties as applicable.

Performance Metrics:

- Product development project on-time completion to objectives
- Successful customer acceptance of application product design recommendations
- New product launches are successful in the market place as defined by the project proposal.
- Corrective Action reviews support "First Time" solutions to problems
- Continuous effort to reduce the material cost per torque of all products.
- Meeting total project cost objectives (Capital Expenditure / Expense Items / Engineering Hours)
- Monthly activity reports to Management

Qualifications:

- MSEE
- Minimum of 5 years experience in product development and application of linear or rotating machines
- In depth knowledge and work experience utilizing Magnetics FEA and Solid Works.
- Excellent verbal and written skills
- Excellent communication skills



FAX To: JOE MILSTEIN
315-425-9114

FROM: SUS DATTA

Joe:

I FOUND THIS INFO WHICH WAS PREPARED BY Mr. LEVNAT.
RE RELATED TO WET MOTOR.

Grote stainless steel unsealed brushless motor proposal concept - 3/18/03

Thxs

Sw

11/20/03

The purpose of this memo is to clearly describe the "stainless steel" brushless motor design and construction. The unsealed motor is designed to operate in a wet environment.

Commutating encoder

- The proposed IP64 sealed commutating 1000 line HS15 encoder will be mounted on the rear end cap and enclosed in a sealed SS (stainless steel) cover.
- HS15 encoder Teflon leads will exit from cover TBD.

Stator

- The construction of the stator will be accomplished by electroless NI plating the existing BNL2300 12 slot lamination design to a thickness of 0.0008 +/- 0.0002
- The design is based upon a 2.500" stack of plated laminations.
- The completed stack will be fluidize coated to in house standard design requirements and a winding of HML magnet wire will be inserted. The stator leads will be of Teflon material. Stator winding to be heavy trickle impregnated.
- The motor SS housing will be shrink fitted to the stator with an interference fit of 0.002 +/- 0.0005. Additional brush on impregnation will be applied to the stator end turns after the stator is heat fitted to housing.

Has no impact

FDA material not defined

Rotor

- The construction of the rotor will be a single piece design with 8-machined facets that would locate the neodymium iron NI plated magnets.
- The assembly will consist of a single piece SS416 shaft, 8 neodymium iron nickel plated magnets, two 300 series SS end rings 0.300 thick pressed on to the shaft.
- The end rings are designed to locate and support a shrink fitted 300 series 0.015 thick SS sleeve.

Resulting in a watertight rotor construction.

Bearings

- Size same as the existing BNL 2300 motor
- The (sealed type) bearings and lubrication will be FDA compatible (ie. 440 races, shields, seals,)

Housing

- Motor single piece housing and mounting plate and rear end cap to be constructed of 300 series SS

Hardware

- All hardware (shims, screws, washers, etc.) will be selected from non-oxidizing, FDA compatible materials.



**MONDELLO & MONDELLO**

Attorneys At Law
 250 Governors Avenue
 Medford, Massachusetts 02155

(781) 395-1850 / Fax (781) 391-3009

Philip Mondello
 1921-1978
 Anthony P. Mondello

Monday, August 04, 2003

HAND DELIVERED 8/05/03

Robert Kuniega, Vice President & General Manager
 Cleveland Motion Controls, Electro-Mechanical Division

Re: Memo dated August 04, 2003 to Moshe Levnat

Dear Mr. Kuniega:

Please be advised that this office represent the above named Moshe Levnat who has presented us with your letter/memo of August 4, 2003 purport to be an answer to his request for a separation agreement to terminate his employment.

Your notice is evasive, self-serving, incomplete and not representative of your recent discussion, but at best is a weak attempt to cover up your failure to live up to the terms of the employment agreement with Mr. Levnat dated February 4, 2003 (copy attached) and your desire to terminate his employment.

Mr. Levnat has no desire to terminate his employment with Cleveland Motion Controls but he expects you to live up to the agreement of employment you presented to him, when you were trying to lure him to your company.

If you want to terminate him, then the termination agreement should be drawn up now, stating exactly what his compensation will be at the conclusion of his employment and reflecting the following:

1. His compensation for acting as manager for the past six months, which commands a higher pay scale and contrary to what you say, is not part of his job description.
2. His 10% incentive bonus which was to be paid quarterly,
3. His 10 percent bonus, which was to be paid annually based on sales. (This should be pro-rated.)

4. His severance pay.
5. His vacation pay including unused vacation time.
6. The status of his group insurance benefits.

It is interesting to note that you have not complied with several terms of your initial employment agreement, to wit:

- A. The goals and objectives were to be provided at Mr. Levnat's arrival and to date none have been set, resulting in an ambiguous working environment that can be construed as a hostile work place even though he has made numerous requests for the same.
- B. He has not received any quarterly bonus.
- C. To date you have not hired a engineering manager or a senior mechanical engineer to work with Mr. Levnat.

Mr. Levnat is interested in coming to a prompt and equitable resolution of the above stated issues. If you are amenable please contact me directly or through your attorneys.

Very truly yours,



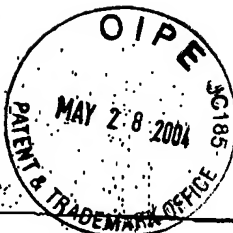
Anthony P. Mondello, Esq.
BBO 351560
Mondello & Mondello
APM: ps

Fax copies: Patrick Lee, IMC President 716-855-1400
E. Wayne Foley, CMC President 216-642-2131

Very truly yours,

Anthony P. Mondello, Esq.

APM: ps



**Cleveland
Motion Controls**

An **EMC** Company

GROUP HEADQUARTERS

7650 Hub Parkway • Cleveland, OH 44125-5794
PHONE (216) 524-8800 • FAX (216) 642-5155

February 4, 2003

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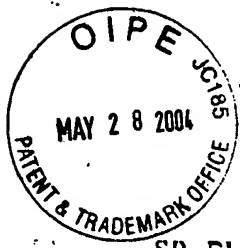
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We are excited about the prospect of having you join the organization and believe this position will provide you a substantial challenge and the opportunity to make a major contribution to the success of our business.

Please feel free to contact me with any questions you may have.

Sincerely,

Robert J. Kuniega
Vice President/General Manager



CMC - Torque Systems Division

SR. ELECTRICAL ENGINEER - ELECTRO-MECHANICAL / SERVO PRODUCTS

Reports to: Engineering Manager

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- Meeting total project cost objectives (Capital Expenditure / Expense Items / Engineering Hours)
- Monthly activity reports to Management.

Qualifications:

- MSEE
- Minimum of 5 years experience in product development and application of linear or rotating machines.
- In depth knowledge and work experience utilizing Magnetics FEA and Solid Works.
- Excellent verbal and written skills.
- Excellent communication skills.



INTERNATIONAL MOTION CONTROL INC.
369 Franklin Street, Buffalo, New York 14202
Tel: (716) 855-2500 Fax: (716) 855-1400

December 10, 2003

Anthony P. Mondello, Esq.
MONDELLO & MONDELLO
Zero Governors Avenue
Medford, Massachusetts 02155

Re: **Your Client: Moshe Levnat, Inventor**
Utility Patent Application for
STAINLESS STEEL UNSEALED MOTOR


Dear Mr. Mondello;

Enclosed you will find a copy of the above referenced utility patent application as filed with the US Patent Office on November 21, 2003, which I ask that you deliver to Mr. Levnat. I am also enclosing a Declaration and Power of Attorney and an Assignment which we are requesting that Mr. Levnat sign. Where indicated, Mr. Levnat should execute and date these documents, in ink. Mr. Levnat may make changes to biographical information, in ink, initialing each such change. Upon completion, please return the documents to me. IMC's Patent Counsel will progress completion of the filing.

Please contact me should you have any questions regarding these enclosures.

Very truly yours,

INTERNATIONAL MOTION CONTROL INC.


Cynthia E. Locklear
Corporate Counsel

cc: E. Wayne Foley, Robert Kuniega



MONDELLO & MONDELLO

Attorneys At Law
Zero Governors Avenue
Medford, Massachusetts 02155

(781) 395-1850 / Fax (781) 391-3009

Philip Mondello
1921-1978
Anthony P. Mondello

Saturday February 7, 2004

Cynthia E. Locklear, Corporate Counsel
International Motion Control, Inc.
369 Franklin Street, Buffalo, New York 14202

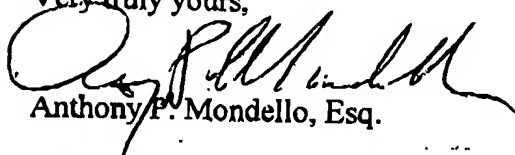
Re: Moshe Levnat/Patent application

Dear Ms. Locklear:

I apologize for not answering sooner but I have been plagued with health problems for the past 6 or 7 weeks but I am now back on an even keel.

Mr. Levnat refuses to sign the patent application because he takes exception to the paragraph that states he has been amply paid. In view of the complaints he has against IMC and the contemplated lawsuit, I agree with his position.

Very truly yours,


Anthony P. Mondello, Esq.

CC: Moshe Levnat